

ORDINANCE NO. 1589

LEXINGTON, NEBRASKA

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AN ORDINANCE PROVIDING FOR THE ISSUANCE OF BOND ANTICIPATION NOTES IN THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000) FOR PAYMENT OF COSTS IN CONNECTION WITH THE CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE WATERWORKS PLANT AND WATER SYSTEM, ELECTRIC LIGHT AND POWER PLANT AND DISTRIBUTION SYSTEM AND SANITARY SEWER SYSTEM OF THE CITY OF LEXINGTON, NEBRASKA; AGREEING TO ESTABLISH RATES AND CHARGES TO PROVIDE FOR COSTS OF OWNERSHIP, OPERATION AND DEBT SERVICE; AGREEING TO ISSUE REVENUE BONDS TO PAY THE NOTES AND ACCRUED INTEREST AT MATURITY AND ORDERING THE PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF LEXINGTON, NEBRASKA:

Section 1. The Mayor and Council of the City of Lexington, Nebraska, hereby find and determine that the City of Lexington is in the process of constructing additions and improvements to the waterworks plant and water system, electric light and power plant and distribution system and sanitary sewer system owned and operated by the City. A portion of the cost of the improvements has heretofore been paid by the issuance by the City of Bond Anticipation Notes in the amount of One Million Dollars (\$1,000,000) which notes are presently outstanding; that the City is in the process of preparing for the sale and issuance of Combined Revenue Bonds of the City in an amount sufficient to pay the outstanding notes and the cost of additional improvements and extensions to the systems. Pending the issuance of the bonds it is necessary, in order to meet obligations of the City incurred in connection with the construction of said improvements, that the City issue and sell notes to be designated Combined Utility Bond Anticipation Notes--1978 Series--which shall not be a debt of the municipality within the meaning of the constitutional, statutory or other limitation on the creation of general obligation indebtedness, and the municipality shall not be liable for the payment thereof out of any money of the municipality other than the money received by the issuance and sale of bonds as contemplated herein or from the funds of the City available to pay interest on said Notes and to pay a portion of the cost of the project so as to reduce the required financing by revenue bonds. The City hereby agrees that it will establish, maintain, revise and collect charges and rates with respect

to its combined utilities throughout the life of the notes sufficient to provide for all costs associated with the ownership, operation, maintenance, renewal and replacement of said utilities and the payment of the principal and interest on all indebtedness incurred with respect thereto as well as all outstanding bonded indebtedness payable from the earnings of the combined utilities and to produce earnings sufficient to enable the City to issue and sell bonds in an amount sufficient to pay the principal and interest thereon of all notes issued pursuant hereto and it will issue such Combined Revenue Bonds in an amount sufficient to pay the notes, both principal and interest, and will use the proceeds of the sale of said bonds for such payment at or before maturity.

Section 2. Notes to be designated Combined Utility Bond Anticipation Notes in the amount of \$500,000 are hereby authorized to be issued to Robert E. Schweser Company Incorporated, to become due August 1, 1979, be optional for prepayment at par plus accrued interest at any time, and which shall bear interest from the date of delivery until paid at the rate of six per centum (6.00%) per annum, payable annually on August 1 of each year. If the Note or an interest payment is not paid at maturity or due date, the Note or interest installment shall bear interest at the rate of eight per centum (8.00%) per annum until paid. Said notes shall be dated the date of their delivery, be executed on behalf of the City of Lexington by the manual signatures of the Mayor and Clerk and be delivered to Robert E. Schweser Company Incorporated acting as agent for the purchasers thereof, upon receipt of payment for said notes, which shall not be less than par.

Section 3. The Anticipation Notes shall be in substantially the following form:

CITY OF LEXINGTON, NEBRASKA  
COMBINED UTILITY  
BOND ANTICIPATION NOTE

No. \_\_\_\_\_

\$ \_\_\_\_\_

On August 1, 1979, for value received the City of Lexington, Nebraska, hereby promises to pay to Robert E. Schweser Company Incorporated, Agent, \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) with interest from the date of delivery until paid at the rate of six per centum (6.00%) per annum, payable August 1, 1978, and annually thereafter at the office of Robert E. Schweser Company Incorporated, acting as Paying Agent for the City for purpose of interest payments only, in Omaha, Nebraska, upon presentation and surrender of the Notes for notation of interest payment. The principal of this Note shall be payable at the office of the City Treasurer upon presentation and surrender of the Note when due or when called for payment under its option provision. If the Note or an interest payment is not paid at maturity or due date, the Note or interest installment will bear interest at the rate of eight per centum (8.00%) per annum until paid. This Note and accrued interest shall be payable from funds received by the City from the issuance and sale of its Combined Revenue Bonds and is optional for payment at any time. All of the provisions and agreements of Ordinance No. 1589 are by reference made a part of this instrument, and all such agreements accrue to the payee, owner or assignee of this Note. This Note shall not be a debt of the City of Lexington within the meaning of any constitutional, statutory or charter limitation upon the creation of general obligation indebtedness of said City and said City shall not be liable for the payment thereof out of any money of the municipality other than from proceeds of the issuance of its Combined Revenue Bonds, as aforesaid, or other funds of the City available to pay interest on said Note or a portion of the cost of the

project so as to reduce the required financing.

Delivered this \_\_\_\_\_ day of \_\_\_\_\_, 1978.

(Do not sign)

\_\_\_\_\_  
Mayor

(Do not sign)

\_\_\_\_\_  
City Clerk

Payment Record \_\_\_\_\_  
\_\_\_\_\_

Section 4. The principal of said notes shall be payable at the office of the City Treasurer upon presentation and surrender of the notes when due or when called for payment on their option date, or at any time thereafter. Robert E. Schweser Company Incorporated is hereby designated to serve as Paying Agent for interest payments only. Interest on said notes will be payable at the offices of said Paying Agent in Omaha, Nebraska, upon presentation and surrender of the notes for notation of interest payment. The City Treasurer is hereby authorized to make payment to said Paying Agent of an amount sufficient to cover the interest falling due on all such notes as may be outstanding not less than three days prior to any interest payment date.

Section 5. Notice of the call of any of said notes for payment prior to maturity shall be sufficient if it has been communicated by any means by the City to the named payee of each of the notes.

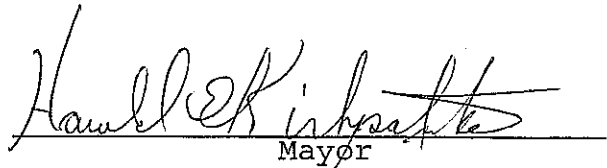
Section 6. Additional Bond Anticipation Notes for construction of improvements to either the electric, water or sewer systems may be authorized by ordinance or resolution of the Council provided the ordinance or resolution authorizing the Notes requires the City to establish rates and charges sufficient to meet the earnings requirements set out in Section 1 of this ordinance, which would allow for the issuance of Combined Revenue Bonds to pick up and pay for all outstanding

Bond Anticipation Notes including any additional Notes to be issued.

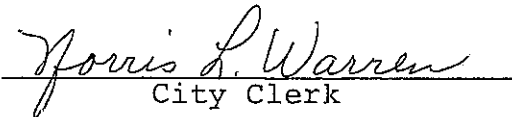
Section 7. The City further agrees that if for any reason the City is estopped from paying interest on the Bond Anticipation Notes herein provided for, the City will issue Bond Anticipation Notes for the purpose of paying said interest as and when the same becomes due and will sell said Notes and use the proceeds of the sale of said Notes to pay said interest.

Section 8. This ordinance shall be published in pamphlet form and take effect as provided by law.

PASSED AND APPROVED this 28th day of March,  
1978.

  
Mayor

ATTEST:

  
City Clerk

(S E A L)

Motion for adjournment was duly made, seconded and on roll call vote was declared duly adopted by the Mayor.

I the undersigned, City Clerk for the City of Lexington, Nebraska, hereby certify that the foregoing is a true and correct copy of proceedings had and done by the Mayor and Council on March 28 1978; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that the minutes of the Mayor and Council of the City of Lexington, Nebraska, from which the foregoing proceedings have been extracted were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

  
City Clerk

(S E A L)